

To the Members of the California State Senate:

I am concerned that, as crafted, Senate Bill 1427 unintentionally creates a loophole that may compromise program integrity and expose the State to more than a billion dollars in costs. For this reason, I am returning this bill without my signature. However, I am directing the Department of Health Services to work with stakeholders and the Legislature on statutory changes to provide federally qualified health centers flexibility to bill for services provided outside the site, while maintaining appropriate controls to protect program integrity, and ensuring health centers will continue operating within licensing laws and regulations.

Sincerely,

Arnold Schwarzenegger